

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB STORY**, on January 11, 2001 at 10:00 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Bob Story, Chairman (R)
Rep. Ron Erickson, Vice Chairman (D)
Rep. Roger Somerville, Vice Chairman (R)
Rep. Joan Andersen (R)
Rep. Keith Bales (R)
Rep. Joe Balyeat (R)
Rep. Gary Branae (D)
Rep. Eileen Carney (D)
Rep. Larry Cyr (D)
Rep. Rick Dale (R)
Rep. Ronald Devlin (R)
Rep. John Esp (R)
Rep. Gary Forrester (D)
Rep. Daniel Fuchs (R)
Rep. Verdell Jackson (R)
Rep. Jesse Laslovich (D)
Rep. Trudi Schmidt (D)
Rep. Butch Waddill (R)
Rep. Karl Waitschies (R)
Rep. David Wanzenried (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Branch
Rhonda Van Meter, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 36, 1/8/2001; HB 70,
1/8/2001
Executive Action: HB 36

NOTE: There is no taped record of this hearing.

HEARING ON HB 70

Sponsor: REPRESENTATIVE RON ERICKSON, HD 64, Missoula

Proponents: Stephen C. Kologi

Opponents: None

Opening Statement by Sponsor:

REPRESENTATIVE ERICKSON explained this bill is to increase the dollar value of the income exemption for a person over 65 years of age from \$3600 to \$4700 per year. The income cap would also increase from \$30,000 to \$39,200, meaning anyone making up to \$39,200 would be eligible for the \$4700 income exemption. Anyone making over \$39,200 would be subject to an adjustment as stated in Section 1, line 22. These increases are to adjust for inflation, and the bill would allow for these dollar amounts to be adjusted on an annual basis according to the Consumer Price Index changes.

Proponents' Testimony:

Steve Kologi said he was in favor of this bill because it helped the people who have retired from the state who were promised the retirement would be sufficient and tax free. They are struggling to have enough retirement income.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REPRESENTATIVE BALLYEAT asked a series of questions that **REPRESENTATIVE ERICKSON** and **Steve Kologi** responded to.

REPRESENTATIVE FORRESTER asked a question of **REPRESENTATIVE ERICKSON**.

REPRESENTATIVE BALES asked a question of **REPRESENTATIVE ERICKSON**.

REPRESENTATIVE DEVLIN asked a question that **REPRESENTATIVE ERICKSON** and **Larry Finch**, Department of Revenue, responded to.

REPRESENTATIVE SOMERVILLE asked a question of **Larry Finch**.

REPRESENTATIVE ESP asked a question of **REPRESENTATIVE ERICKSON**.

REPRESENTATIVE BALLYEAT asked a question that **Larry Finch** and **Leo Berry** responded to.

REPRESENTATIVE ANDERSEN asked **REPRESENTATIVE ERICKSON** a question.

REPRESENTATIVE WAITSCHIES asked a questions that **REPRESENTATIVE ERICKSON** and **CHAIRMAN STORY** responded to.

REPRESENTATIVE WADDILL asked a question of **REPRESENTATIVE ERICKSON**.

Closing by Sponsor:

REPRESENTATIVE ERICKSON made closing statements on the bill.

HEARING ON HB 36

Sponsor: **REPRESENTATIVE DAVE GALLIK, HD 52, Helena**

Proponents: **Mary Whittinghill, Montana Taxpayers Association**
 Greg Thornquist, State Tax Appeal Board

Opponents: None.

Opening Statement by Sponsor:

REPRESENTATIVE GALLIK explained this bill would change the process of appealing the value of a state land cabin site back to the county level. People who wish to appeal would do so at the county level but would still be allowed to follow with an appeal to the State Tax Appeal Board.

Proponents' Testimony:

Greg Thornquist, Chairman, State Tax Appeal Board, said this bill would be favorable because it would allow the appeals to start at a county level where they are more familiar with the property values locally. This would also save money because the State Tax Appeal Board members and employees would not have to travel to each site for an appeal hearing.

Mary Whittinghill, Montana Taxpayers Association, was in favor of the bill for the same reasons stated by Mr. Thornquist.

Dave Witchard, Department of Revenue, was in favor of the bill for the same reasons as stated above.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REPRESENTATIVE WAITSCHIES had a question for Greg Thornquist.

REPRESENTATIVE SOMERVILLE asked Greg Thornquist how long the leases were issued for and when they were up for renewal.

CHAIRMAN STORY asked a question of Greg Thornquist.

Closing by Sponsor:

REPRESENTATIVE GALLIK made closing statements on the bill.

EXECUTIVE ACTION ON HB 36

Motion: **REPRESENTATIVE FUCHS** moved to vote on HB 36.

Discussion:

REPRESENTATIVE BALES had a question for **REPRESENTATIVE GALLIK**.

REPRESENTATIVE SOMERVILLE and **REPRESENTATIVE BALYEAT** offered additional discussion.

Motion/Vote: **REPRESENTATIVE FUCHS** moved that **HB 36 DO PASS**.
Motion carried unanimously, 20-0.

ADJOURNMENT

Adjournment: 10:54 A.M.

REP. BOB STORY, Chairman

RHONDA VAN METER, Secretary

EXHIBIT (tah08aad)